

ASSIGNED

No. 61686

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office. -NOV-14-1995----- NEW PRIORITY DATE: MAY 16 2000

Returned to applicant for correction.....

Corrected application filed.....

Map filed 5-3-95 under 61201-T

F M G Inc.

The applicant.....

P.O.Box 220 Golconda

....., of....., City or Town

Nevada 89414 S

....., hereby make..... application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.).....

underground

1. The source of the proposed appropriation is.....
Name of stream, lake, spring, underground or other source

11 cfs

2. The amount of water applied for is.....second-feet
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet.....

mining, milling, dewatering

3. The water to be used for.....
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated.....

(b) Stockwater, state number and kinds of animals to be watered.....

(c) Other use (describe fully under No. 12. "Remarks").....

(d) Power:

(1) Horsepower developed.....

(2) Point of return of water to stream.....

within the NW4 NE4 S.33,

5. The water is to be diverted from its source at the following point.....

T39N, R42E, at a point from which the NE corner of said S.33 bears

N63° 14' 41" E, 2148.44 Ft. distant, from a well known as DW-1.

.....

within Sections 21,22,23,26,27,28,29,32,33 & 34 in T39N,

6. Place of use.....

R42E; and within Sections 3,4,9, & 10 in T38N, R42E, all MDM.

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7. Use will begin about.....and end about....., of each year.

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.).....

water is to be diverted from a well

(Same as permit 61201-T and 61202-T).

State manner in which water is to be diverted, i.e. diversion structure, ditches and

flumes, drilled well with pump and motor, etc.

9. Estimated cost of works existing

10. Estimated time required to construct works existing
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use 5 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:

See map filed under 61201T. This application to Appropriate additional
11 cfs is for dewatering the Turquoise Ridge ore body.

By s/ John Barta
P.O. Box 220
Golconda, NV 89414

Compared jp/ gkl cl/bk

01/02/96, by Pershing County Water Conservation District of Nevada
Protested 02/27/96, by LaVar Murdock, owner of Adams Peak Properties

APPROVAL
OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level.

A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of water herein granted at any and all times.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject (CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 11.0 cubic feet per second.

Work must be prosecuted with reasonable diligence and be completed on or before February 30, 1997

Proof of completion of work shall be filed before March 30, 1997

Application of water to beneficial use shall be filed on or before February 30, 1998

Proof of the application of water to beneficial use shall be filed on or before March 30, 1998

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed MAR 28 1997

Proof of beneficial use filed

Cultural map filed

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.
State Engineer of Nevada, have hereunto set my hand and the seal of my
office, this 3rd day of May

A.D. 96

Certificate MAY 31 2000 Issued BECAUSE OF FAILURE
OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT
Can rescinded 6-19-00

R. Michael Turnipseed
State Engineer

(PERMIT TERMS CONTINUED)

to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

This permit will allow the permittee to dewater the pit area and underground mining operations. It is understood that any water pumped as a result of this dewatering operation will be used first by the permittee for surface and underground mining, milling, leaching, drilling, road watering and other related mining uses hereinafter referred to as mining and milling uses within the described place of use of this permit.

The State Engineer retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights. Any water produced from this dewatering operation and not used for mining and milling purposes must be injected or infiltrated back to the Kelley Creek Groundwater Basin. The method of infiltration shall be designed to minimize any evaporation losses. Any injection or infiltration of water must have the necessary permits issued by the Nevada Division of Environmental Protection.

This permit does not extend the permittee the right of ingress and egress on public, private, or corporate land.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection relating to the dewatering project.

The total combined duty of water for consumptive purposes under Permits 28758, Certificate 13803; 45730, Certificate 13805; 45731, Certificate 13806; 45732, Certificate 13807, 49815, Certificate 13809; 51990, 52476, Certificate 13817; 53015; 53030; 58406; 58408; 61546; 61557-T; 61558-T; 61559-T; 61601; 61602; 61603; 61604; 61605; 61667-T; 61686; 61688; 61689; 61690 and 61862-T shall not exceed 1034.0 million gallons annually.

The total combined diversion rate under the above referenced permits and any subsequent changes to these permits shall not exceed 15.60 cubic feet per second (7,000 gallons per minute).

Monthly records will be kept of the following: the volume of water pumped from each well, the volume of water consumptively used for mining and milling uses project wide, the amount of water discharged to infiltration or injection and the water level (static or pumping) of each permitted well and monitoring wells HL-1, DM-3, MW-16, MW-17 and MW-18. These records will be submitted within 15 days after the end of each month. A method that estimates the amount of evaporative losses from the discharge system will be submitted with the monthly report. The evaporative losses will be considered as a part of the combined duty for consumptive purposes.

All flow measurements taken at those locations described in Covenant 2.3 (Flow Measurement) of the Water Resources agreement between FirstMiss Gold, Inc. and LaVar Murdock, dba Adams Peak Properties dated February 27, 1996, shall be reported in the above monthly report.

All of the above stated conditions are issued subject to having no adverse impacts on existing rights.

The right to divert water under this permit will expire when the need to dewater ceases.

This permit is issued with the understanding that no secondary applications will be issued on any water not injected.